

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 1396-03
Bill No.: SB 534
Subject: Ambulance and Fire Districts: Sales Tax, Property Tax, General Revenue
Type: Original
Date: March 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	Unknown	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	Unknown	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government*	Unknown	Unknown	Unknown

* This proposal is enabling legislation.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** stated that to establish a district tax in MITS will require creation and maintenance of “shape files”, which will define the boundaries of each district. Officials estimate the programming will require 727 hours of contract labor at a cost of \$25,737. Cost including programming MINITS was estimated at \$47,582. Officials stated that the current income tax system (MINITS) is not able to handle circuit breaker refund provisions the proposed legislation and would require a complete rewrite of the system. The programming costs on a complete system is (Unknown).

Officials of the **Mehville and Le May Fire Protection Districts** stated that if there were a sales tax established there would be election costs.

Oversight assumes that for a district to impose a sales tax would require voter approval, and should the voters approve the sales tax, a reduction in property tax would also be discretionary. Oversight assumes that any county that would have an ambulance or fire district that would receive voter approval to levy a sales tax pursuant to this legislation, would have some administrative impact in meeting the requirements of this proposal with regard to the Circuit Breaker provision. Oversight will show administrative impact as (Unknown) cost.

Oversight assumes that Counties where a sales tax were approved, and the Board elected to reduce the property tax, the county would have some administrative impact in researching taxes paid prior to March 3, 1983.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
	(10 Mo.)		
GENERAL REVENUE FUND			
<u>Income</u> to DOR			
from 1% collection fee on sales tax	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income</u> to DOR			
from Ambulance and Fire Districts for Circuit Breaker provisions	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> to DOR			
from programming, collection, and distribution requirements of this proposal.	(\$47,582 to Unknown)	(Unknown)	(Unknown)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Estimated Net Effect to General Revenue Fund.	Unknown	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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AMBULANCE AND FIRE PROTECTION DISTRICTS TRUST FUND

<u>Income</u> to Certain Districts from voter approved sales tax	Unknown	Unknown	Unknown
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<u>Loss</u> to Certain Districts for reduction in property tax rate	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
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<u>Cost</u> to Certain Districts from transfer of funds to State's GR Fund for Circuit Breaker requirements.	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
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Total Net Effect to Ambulance and Fire Districts Fund	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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Total Estimated Net Effect to Local Governments *	Unknown	Unknown	Unknown
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***Oversight assumes that there would be a positive fiscal impact to local governments. Administrative impact to counties would not be significant.**

FISCAL IMPACT - Small Business

Small business located within the boundaries of an ambulance or fire protection district that would receive voter approval to impose a sales tax, and the Board of the district would concurrently reduce the property tax, as provided for, could expect to have administrative impact associated with the collection and payment of the sales tax.

DESCRIPTION

This act allows the governing body of an ambulance or fire protection district to impose either an one-fourth, three-eighths or one-half of one percent on all retail sales within the district following voters' approval.

The Department of Revenue will collect and distribute the revenue from the district sales tax monthly at the cost of one percent the total revenue collected. After collecting and distributing the sales tax, the board of the ambulance or fire protection district will determine its budget for the year and determine the amount of property tax necessary to fund the district. The district may then reduce the tax rate by an amount not greater than seventy-five percent of the previous fiscal year's sales tax receipts. This provision also exempts claimants who are eligible to receive the Senior Citizens Property Tax Relief (Section 135.010, RSMo).

When the governing body of the ambulance or fire protection district receives a petition signed by at least twenty percent of the qualified voters that voted in the last gubernatorial election, calling for an election to repeal the sales tax, the governing body will submit the question to the voters.

Following the election to repeal the sales tax, the governing body of the district may decide whether or not the tax rate should be increased within the level of the tax rate ceiling. If the governing body of the district wishes to increase the tax rate beyond the tax rate ceiling, they will have to submit it for voters' approval.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Le May Fire Protection District
Mehlville Fire Protection District

L.R. No. 1396-03
Bill No. SB 534
Page 5 of 5
March 5, 2001

NOT RESPONDING

The Fire Protection Districts of : Chesterfield, Mehlville, Raytown, Eureka, and Logan-Rogersville, and the Ambulance Districts of : Newton County, St. Charles County, Stoddard County, Taney County, and the Mid-Mo Ambulance District.



Jeanne Jarrett, CPA
Director
March 5, 2001